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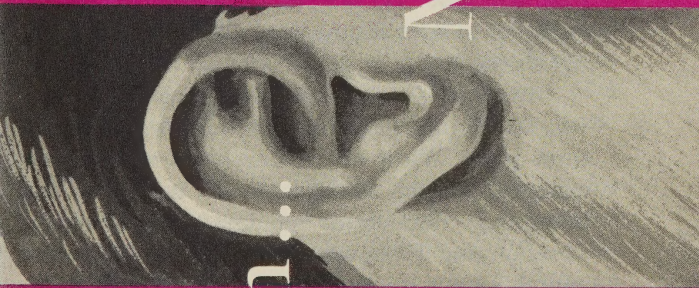
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Listen...

Mr. Employer!

Much has been written during the past year or so about the unprecedented decline in the Unemployment Insurance Fund. From a high point of \$926 million at the end of December, 1956, the balance in the Fund has steadily dwindled until, at the end of December, 1962, it totalled only \$98,975,326.



Listen,

Many reasons have been advanced for this draining away of the Fund's resources. The fact is that there *are* many different reasons for it.

What this pamphlet is concerned with, however, is one particular source of drain which costs the Fund millions of dollars annually, and which could be stopped almost completely provided the Unemployment Insurance Commission has the whole-hearted co-operation of employers. To illustrate the problem, the following are two specific examples of benefit payments that had to be made but should not have been made.

In Case I, Mrs. A is a young married woman who has been employed as a typist by a firm for three years. When she becomes aware that she is expecting a child, she decides that it is in her best interests to leave her job and devote her full time to housekeeping. However, rather than lose her income entirely, she also decides to file a claim for unemployment insurance benefit.

Although she has no intention of working, and hence is not really unemployed—a primary prerequisite to eligibility for benefit—she feels that her payments into the Fund made over a period of three years should entitle her to draw from it whenever she wishes without any regard for the conditions under which she must qualify.

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At the same time, she knows from the experience of others that she must have a good reason for leaving her job if she is to qualify for benefit. She, therefore, persuades her employer to agree to discharge her because there is a lack of work. He goes along with this because she has been a good

Mr. Employer!

employee, and, after all, it isn't costing him anything (so he thinks!); also, if he is obliging, she may at a later date come back to work for him, and, certainly, good typists are not easy to come by.

When Mrs. A's claim is filed, the UIC insurance officer notes the reason for separation given by the claimant and duly sends a "Confirmation of Reason for Separation" form to the employer. The employer confirms the reason for separation given by Mrs. A and, whatever the suspicions of the insurance officer, there is no choice but to pay benefit. The net result is a drain on the Fund of some \$300, payable for the unemployment of a woman who is not, in any sense of the word, entitled to benefit.

In Case II, Mr. B has been discharged for theft of company property. He also files a claim for benefit and states that he was released from his job for "breach of company regulations". Since this could mean anything, the UIC officer seeks to obtain the *real* reason from the company. However, the company will provide no more clarification than would its ex-employee. Further inquiry only produced the information that the company's public relations policy dictated that such matters should be completely hushed up. The fact that the UIC holds such information as confidential made no

difference. The net result here was a drain of \$550 on the Fund.

These are small amounts, of course. But, multiplied by the number of similar cases that occur each year, it adds up to an annual loss of millions of dollars.

What does this mean to you as an employer? Well, for one thing, you're paying for it in part. The Fund can pay out only what it takes in, and if payments are unnecessarily high, then contributions will also be unnecessarily high. Even a few cents a week paid in respect of each of your employees can subtract a substantial amount from your profits.


Moreover, there is both an ethical and a legal question involved. Unemployment insurance was created to protect the worker from involuntary loss of work, in situations over which he had no control. Surely it is everyone's responsibility to do everything possible to prevent an unscrupulous minority from bringing such valuable legislation into public disrepute. Furthermore, providing information which is not true, for the purpose of a person's obtaining benefit, is an offence against the Unemployment Insurance Act.

Here is a responsibility which you, as an employer—and a contributor—must discharge conscientiously. UIC form no. 479 will go a long way towards preventing the abuses cited above—provided that you co-operate fully by filling it out promptly, accurately and completely.

Issued by the

**UNEMPLOYMENT INSURANCE
COMMISSION**

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